



LIBYA PUBLIC FINANCIAL MANAGEMENT

PROGRAM OVERVIEW

2019-2024 • \$23.3 million • Implemented by The Pragma Corporation

Decades of authoritarian rule, instability, and violence have left Libyan institutions fragmented and struggling to meet the needs of citizens. A stable and sovereign Libya, with a unified and trusted government that effectively provides basic services to its citizens, is vital to long-term peace and stability in Libya and the region. USAID's Libya Public Financial Management (LPFM) program advances national stability and a more prosperous future for the Libyan people by aligning the country's financial institutions with international best practices and standards, increasing government accountability and transparency, revitalizing the electricity sector, and supporting the reunification of national institutions. LPFM works to strengthen the Central Bank of Libya (CBL)'s capacity to stabilize the country's economy and rebuild trust in key Libyan governance institutions; enhance the efficiency and reliability of Libya's electricity sector while increasing electricity availability; and increase government transparency and accountability in public financial management.

PROGRAM ACTIVITIES

LPFM supports the CBL in guiding monetary policies affecting the supply and circulation of money, with the aim of reducing inflation, increasing private sector access to capital, and achieving stable economic growth. It also helps electricity sector partners develop and implement supply- and demand-side management reforms to improve energy availability and sustainability. Additionally, LPFM increases the technical and organizational capacity of the Libyan Audit Bureau (LAB) to exercise control and audit functions over central government revenues, expenditures, and reporting.

PROGRAM ACHIEVEMENTS

Supporting the CBL

- Instituted the first Annual Monetary Plan since the Libyan revolution, putting in place a framework to support the growth of economic activity, while keeping inflation in check.
- Introduced a new financial programming model, enabling the CBL to conduct sophisticated assessments of the economic impact of current events and scenarios to inform policy choices.
- Assisted the CBL to adopt new rules and procedures for combatting money laundering/financing of terrorism to bring Libya in line with international standards and raise confidence in the integrity of its financial institutions.

- Changed the way Libyans interact with the banking sector by shifting their perceptions of its solvency and trustworthiness through tightened bank supervision and oversight.
- Enhanced foreign exchange management to ensure hard currency for monetary transactions and an adequate level of reserves to protect the economy from major shocks.
- Analyzed the impacts of Russia's war on Ukraine on Libya's economy to inform macroeconomic policy responses.

Supporting Libya's Energy Sector

- Advocated for reforms restructuring the electricity sector, overhauling operations at the General Electricity Company of Libya (GECOL), introducing private competition, and instituting an independent electricity sector regulator.
- Advanced efforts to stabilize Libya's power grid with new requirements for energy efficient appliances and lighting, support for alternative energy, and demand-reduction measures that have significantly reduced power outages across the country.
- Helped develop transparent and accountable regulatory and procurement processes for Libya's first grid-connected solar power project, which will be implemented in collaboration with the European Union, United Kingdom, the United Nations, and the Renewable Energy Authority of Libya.
- Reversed massive commercial losses at GECOL, with strengthened billing/collections systems that have nearly doubled customer payments in two years (2020-2022).
- Analyzed the effect of current events, such as oil field closures, on the availability of electricity and recommended mitigating strategies to GECOL.

Supporting the LAB

- Enhanced the technical and operational capacity of the LAB to meet international best practice in exercising control and audit functions over central government spending and revenues.
- Helped develop and launch a 3-year strategic plan focused on government transparency and institutional reunification of the eastern and western audit bureaus.
- Co-sponsored 45 of the bureau's auditors to complete all certification requirements for the International Organization of Supreme Audit Institutions—a first for the LAB.

Contact Information

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